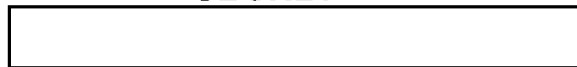


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## **BIWEEKLY REPORT**

# **SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS**

EIC-WGR-1/45

28 October 1957

**PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS**

**ECONOMIC INTELLIGENCE COMMITTEE**



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**01 OCT 1957**

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events  
11 - 24 October 1957

Syrian efforts to enlarge and modernize its armed forces with Bloc assistance constitute the most significant recent development affecting the economic relations between the Sino-Soviet Bloc and the underdeveloped countries of the Free World. Reports of recent arrangements stemming from the visit to Moscow in July of high Syrian defense officials indicate that Syria is to receive considerable additional quantities of small arms; rocket launchers and artillery; about 30 to 40 aircraft; and a number of naval vessels, including possibly 2 small submarines. The total value of the arms to be delivered under the new agreement may be as large as \$25 million.

An appreciable expansion of Soviet Bloc activity in Yemen has recently taken place. Improvement of port facilities at Salif, accomplished by Bloc technicians, has made possible a significant increase in the flow of Bloc military equipment to Yemen. Other projects undertaken by Bloc technicians include the assembly of military equipment and the construction of an airfield; the construction of a port at al-Kathib; and a ground-water survey as well as such projects as the development of highways, communications facilities, and industrial plants.

The USSR is putting pressure on Sudan to accept its economic offers which were extended in August 1957 and is said to have proposed that Soviet-Sudanese ministerial discussions be held. The Sudanese Prime Minister is reported to have indicated that he would not accept cotton barter agreements with the USSR if the present cotton crisis can be resolved by sales to the West or by a British loan with cotton as security.

Cambodia will allocate almost two-thirds of its grant from Communist China for industrial projects, apparently reversing an earlier plan to favor agriculture. Other Bloc activity in Southeast Asia includes the agreement reached between Burma and North Korea which stipulates

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that each country will station trade delegations in the capital city of the other.

Soviet Bloc economic activities in the Middle East and Africa include the acceptance by Iran of a Soviet offer to dredge the Caspian port of Pahlavi and the sale by Uganda of long-staple cotton valued at approximately \$3 million to Communist China. [REDACTED]

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[REDACTED] Egypt, which received 60 percent of its wheat imports from the USSR last year, will buy all its wheat from the West this year.

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Work on installations for the Soviet reactor at the Vinca Nuclear Research Institute, near Belgrade, is proceeding satisfactorily under the supervision of Soviet technicians. A Soviet engineer is said to be supervising the construction, and six other Soviet technicians are supervising the production of semiprocessed uranium ore at the Kalna mines near Knjazevac.

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